

MEMORANDUM

To: Board of Regents
From: Board Office
Subject: Institutional Agreements, Leases and Easements
Date: December 4, 2003

Recommended Actions:

1. Approve the leases for the benefit of the institutions as summarized below.
2. Authorize the University of Iowa to add the house at 229 Melrose Court in Iowa City to its tenant property inventory, to be leased at the rate of \$1,200 per month effective January 1, 2004, through June 30, 2004.

(ROLL CALL VOTE)

Executive Summary:

The Iowa Code requires that agreements, leases and easements involving real property be approved by the Board of Regents by roll call vote.

The leases have been reviewed by the Attorney General's Office and are recommended for approval.

Approval is requested for the following:

University of Iowa	Lease renewal with American Institute of Sustainable Science and Technology (AISST) for its use of business incubator space in the Technology Innovation Center at the Oakdale Research Park.
	Lease renewal with the U.S. Government, Department of Veterans Affairs Medical Center, for its continued use of laboratory research space in Carver College of Medicine facilities.
	New tenant lease for house at 229 Melrose Court in Iowa City.
Iowa State University	New lease with ISU Research Park Corporation for the University's use of office space in Ames for the Iowa Assurance Center.

Background and Analysis:

UNIVERSITY OF IOWA

LEASES

Tenant	American Institute of Sustainable Science and Technology (AISST) (renewal)
Area/Location	Approximately 129 square feet of business incubator space in the Technology Innovation Center at the Oakdale Research Park.
Lease Term	One-year period commencing January 1, 2004, through December 31, 2004.
Lease Rate	\$107.50 per month (\$10 per square foot, \$1,290 per year).
Space/Rate Comparison	The amount of space has decreased by 179 square feet; the lease rate per square foot is unchanged from the previous lease.
Use of Space	This space is used by AISST for engineering research, development, design, software and manufacturing consultancy. AISST promotes sustainability for finite resources and environmental balance by creating technological innovations.
Liability	The lease agreement requires the tenant to indemnify, defend, and hold harmless the University as customarily required.
Principal Information	The principal, I. Al Khattat, President, was a former Adjunct Associate Professor in the University Department of Civil and Environmental Engineering.

Tenant	U.S. Government, Department of Veterans Affairs Medical Center (renewal)
Area/Location	Approximately 8,000 – 10,000 square feet of laboratory space in Carver College of Medicine facilities (Medical Research Center, Medical Laboratories, Eckstein Medical Research Building, Westlawn and Medical Research Facility). The total square footage, which may vary as room assignments change, will not exceed 10,000 square feet.
Lease Term	Two-year period commencing January 1, 2004, through December 31, 2005.
Lease Rate	The space would continue to be leased to the tenant at no cost.
Space/Rate Comparison	The amount of space and lease rate are unchanged.

Use of Space	<p>Laboratory research space for the U.S. Department of Veteran Affairs.</p> <ul style="list-style-type: none">• The College of Medicine and the U.S. Department of Veterans Affairs coordinate the assignment of space for research activities among their respective facilities.• The Carver College of Medicine includes faculty with staff appointments with the U.S. Department of Veterans Affairs; in addition, the University receives research funding from the Department.
Liability	<p>The lease agreement requires the tenant to indemnify, defend, and hold harmless the University as customarily required.</p>
Principal Information	<p>The principal, Patricia Parker, Contracting Officer, has no affiliation with the University.</p>

New Tenant Property

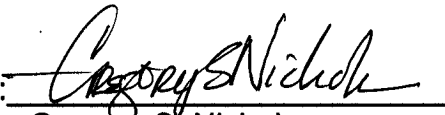
Area/Location	<p>229 Melrose Court, Iowa City, Iowa.</p>
Lease Term	<p>Available for six-month period commencing January 1, 2004, through June 30, 2004.</p>
Lease Rate	<p>\$1,200 per month (\$7,200 for the six-month period).</p>
Use of Space	<p>The property purchase was approved by the Board of Regents in November 2003 and approved by the Executive Council on December 1, 2003.</p> <p>Following acquisition, the University wishes to use the house as a rental property.</p> <ul style="list-style-type: none">• The proposed rental rate of \$1,200 per month is consistent with the University's rental rate for other comparable residences. <p>Since the property would be added to the University's tenant property inventory, the rental rate for each subsequent fiscal year would be presented for Board approval once a year (normally in May) along with the rental rates for the University's other tenant properties.</p>
Liability	<p>The lease agreement requires the tenant to indemnify, defend, and hold harmless the University as customarily required.</p>
Principal Information	<p>The University will use the standard Tenant Property Lease for future tenants.</p>

IOWA STATE UNIVERSITY

LEASE

Landlord	ISU Research Park Corporation (new)
Area/Location	Approximately 3,325 square feet of office space at the ISU Research Park, 2625 North Loop Drive, Suite 2105, Ames, Iowa.
Lease Term	Two-year period commencing January 1, 2004, through December 31, 2005.
Lease Rate	\$3,532.81 per month (\$12.75 per square foot, \$42,393.75 per year).
	<p>The lease also requires the University to reimburse the ISU Research Park Corporation for the University's pro-rata share of operating costs. For the six-month period commencing January 1, 2004, through June 30, 2004, operating costs are estimated at \$1,493.48 per month. In the first year of the lease, operating costs will not exceed 110% of this amount. For the second and subsequent years of the lease, operating costs will not exceed 115% of the previous year's rate except for the following components of the operating costs: property taxes, insurance, common area, utilities, and water and sewer charges.</p>
Use of Space	Iowa State University Information Assurance Center (computer security education and research).
Liability	The University agrees to be responsible for claims arising from its use and occupancy of the space in accordance with <u>Iowa Code Chapter 669</u> .
Principal Information	The Principal, Steven T. Carter, is Director of the ISU Research Park.


Jean A. Friedrich

Approved: 
Gregory S. Nichols